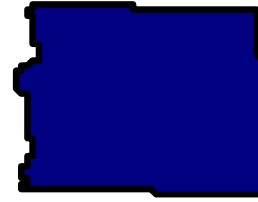
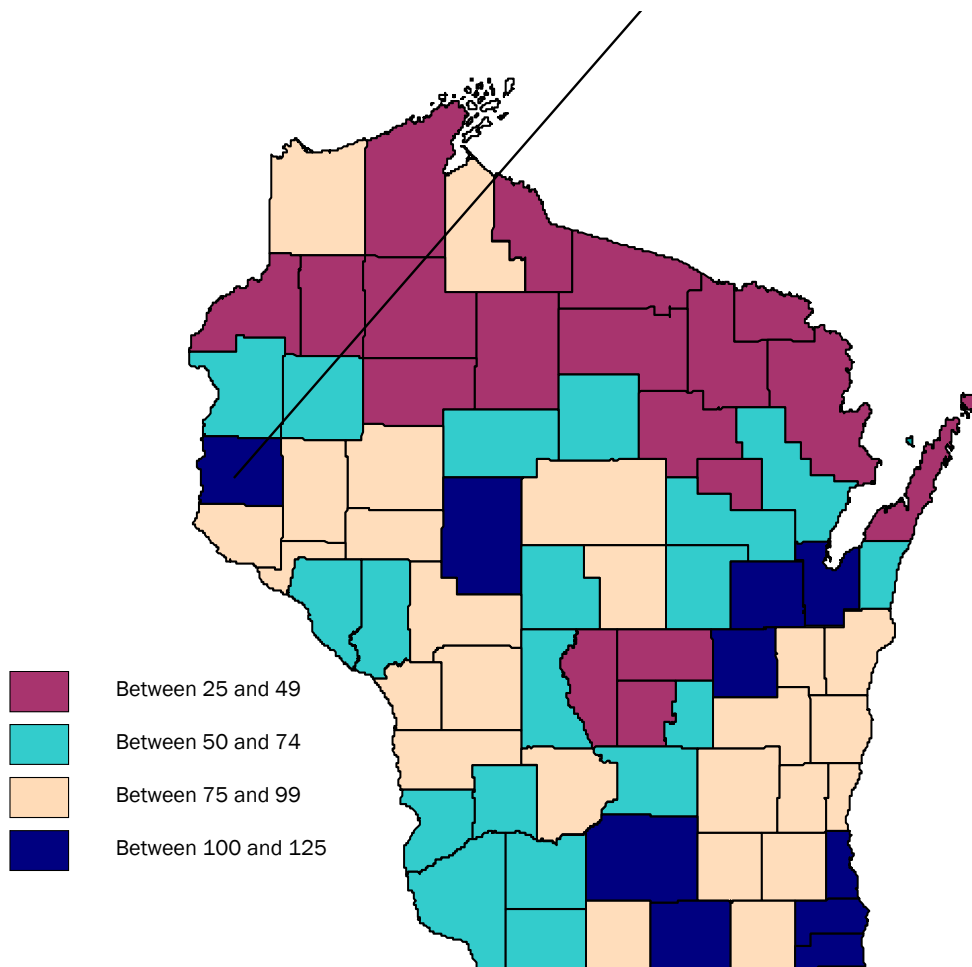


Saint Croix County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

The population in St. Croix County continued to increase at a much faster pace than the nation and Wisconsin, so fast that it ranked first among the state's 72 counties. From Census 2000 to January 2004, the population in St. Croix County increased 14.8 percent by adding 1,811 residents.

All but one of the 35 municipalities, the St. Croix portion of the Village of Spring Valley, added residents during the four-year pe-

Total Population

| | April 2000 Census | Jan. 1, 2004 estimate | Numeric change | Percent change |
|-------------------------------|----------------------|--------------------------|-------------------|-------------------|
| United States | 281,421,906 | 292,287,454 | 10,865,548 | 3.9% |
| Wisconsin | 5,363,715 | 5,532,955 | 169,240 | 3.2% |
| St. Croix County | 63,155 | 72,522 | 9,367 | 14.8% |
| Largest Municipalities | | | | |
| Hudson, City | 8,775 | 10,561 | 1,786 | 20.4% |
| New Richmond, City | 6,310 | 7,244 | 934 | 14.8% |
| Hudson, Town | 6,213 | 7,214 | 1,001 | 16.1% |
| Troy, Town | 3,661 | 4,110 | 449 | 12.3% |
| North Hudson, Village | 3,463 | 3,649 | 186 | 5.4% |
| St. Joseph, Town | 3,436 | 3,642 | 206 | 6.0% |
| Star Prairie, Town | 2,944 | 3,306 | 362 | 12.3% |
| Baldwin, Village | 2,667 | 3,253 | 586 | 22.0% |
| Somerset, Town | 2,644 | 3,044 | 400 | 15.1% |
| River Falls, City* | 2,318 | 2,389 | 71 | 3.1% |

*St. Croix County portion only

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

riod and four of the ten largest municipalities out-paced the percent increase of the county. These municipalities, as well as the county, are growing so fast because they attract new residents who migrate into the area in addition to its increases from natural causes (births minus deaths).

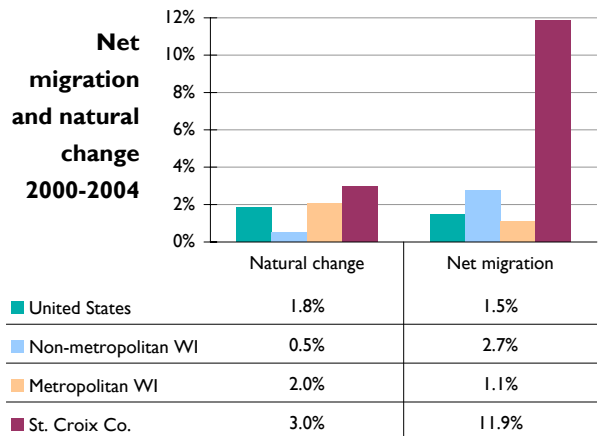
The percent increase in county population attributed to net migration, more people moving to the county than leaving the county, greatly exceeded both the state increase of 1.6 percent and the migration rate in the United States. Many of these new residents work in the Twin Cities, but choose to live in St. Croix County. It is one of the reasons that the county is part of the Minneapolis-St. Paul metropolitan area. Most of those workers moved into the county during the last decade and the county continues to attract new residents.

Those who migrate are often younger and come either with families or with the hope of establishing a family. This certainly appears to be the case since the fertility rate (see glossary) of 65.9 in the county is much higher

than the 58.7 rate in Wisconsin and is 6th highest among the state's counties. From 2000 to 2004, there were 3,589 births, which exceeded the number of deaths by 1,864 and added to the growing number of very young residents.

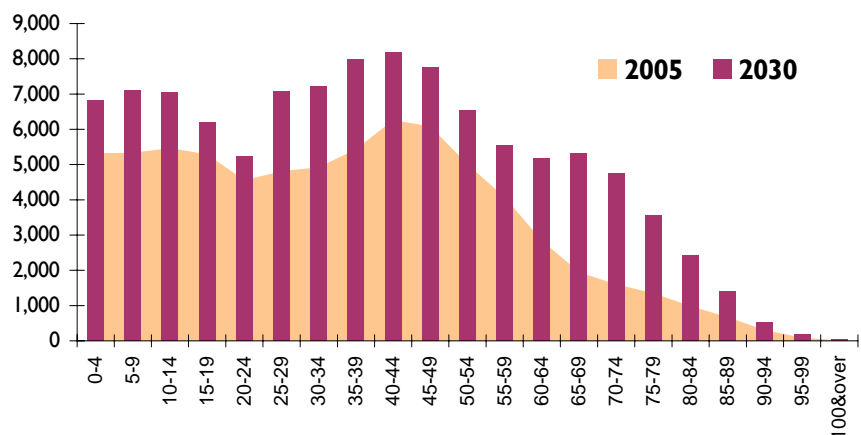
The bottom chart illustrates the impact of these changes on the county's current and projected population. The solid shading, representing the population in 2005, is less for all age groups compared to the bars, representing year 2030. The bump generated by baby-boomers, currently in the 40 to 60 year old groups, ages over the projection period, but the middle age groups dominate changes in the next 25 years. This trend will move the average age in the county from 35 years old in 2000 to 39 years old in 2030.

Roughly 14 percent of the population is currently over 60 years old, but by 2030 this share will expand to 22 percent. In contrast, the share of population under 25 years old will shrink from 36 percent of the population to 30 percent by 2030. The group of residents between 25 and 59 years old, those in their primary working years, will also shrink from



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in St. Croix County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

51 percent of the population to 47 percent by 2030.

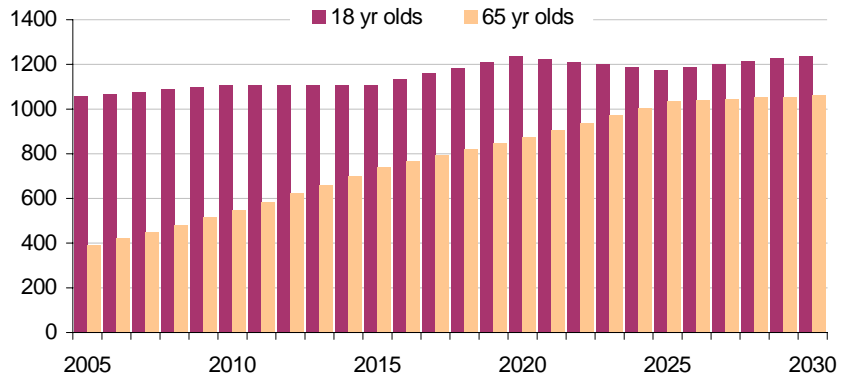
The impact of an aging population is perhaps more obvious in terms of services that they will require, but it also impacts the availability of labor. Assuming that 65 years old represents an average age of retirement and that 18 years old represents high school graduation then a plot of the number of these residents points to a time when the first group approaches the size of the second group. Although there is no convergence in St. Croix County, the gap narrows considerably in the years that follow 2020.

As residents age their participation in the labor force declines. Labor force participation rates (LFPR, see glossary) among the population 25 to 50 years of age generally exceed 87 percent in St. Croix County. But, after age 55, the LFPR begins to drop and by 60 years it nears 50 percent.

The county population is projected to increase during the projection period, but because a greater share of the population will be over 50 years old, when labor force participation declines, labor force growth will slow compared to previous decades. Slower labor force growth in St. Croix County, however, greatly exceeds the single digit increases and reductions in other Wisconsin counties. But it bears repeating that nearly half of these workers are employed outside the county.

The three columns in the chart on the right illustrate labor force increases and composition. This projection uses national assumptions that included higher participation rates for older

Convergence of 18 & 65 year old population in St. Croix County

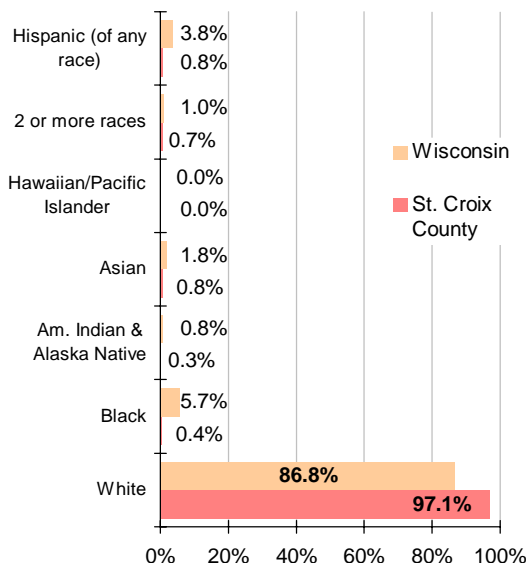


Source: WI Dept. of Administration, Demographic Services

residents, but did not factor in the declining participation rates of white residents; and the population in St. Croix County is 97 percent white. Other ethnic groups are less than one percent of the total.

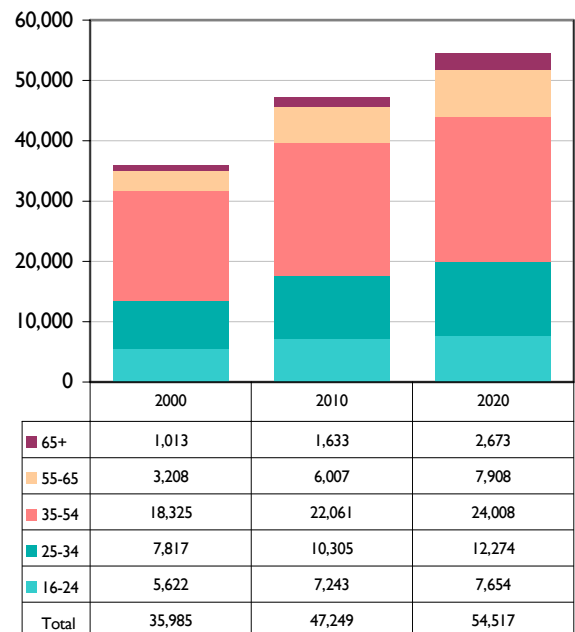
Two broad scenarios arise from the disparity in age and ethnicity: 1) there will be labor shortages due to retirements and the lack of replacement workers especially in occupations that rely on younger workers or require specialized skills; and 2) the aging population will impact the economy as the elderly demand changes in the types of goods and services provided in local communities.

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

St. Croix County Labor Force Projections by Age



| Decade change | 2000-2010 | 2010-2020 |
|---------------|-----------|-----------|
| Decade change | 28.4% | 15.4% |

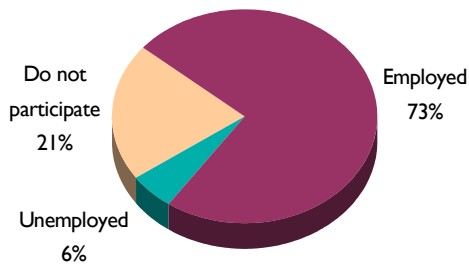
Source: DWD, Office of Economic Advisors, August 2004

Current Labor Force

Labor force participation represents the share of population that is 16 years old and older that is either employed or unemployed. Participation rates in Wisconsin and the United States in 2003 were 72.9 and 66.3 percent, respectively.

In St. Croix County, the participation rate was 79.3 percent. That means that 21 percent of the population 16 years old and older did not participate. That includes some students and individuals, who choose not to work including retirees.

Labor force participation in St. Croix County



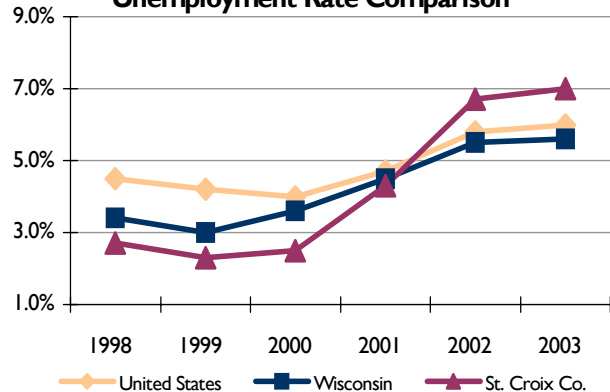
Source: DWD, Office of Economic Advisors, July 2004

As the population ages, more retirees will be included in the non-participating category by choosing not to work and the overall labor force participation rate will decline somewhat.

There will also be slightly fewer new entrants into the labor force who, are seeking first-time jobs, and consequently, fewer included among the unemployed. That, in turn, will produce lower unemployment rates. The fact that there

were fewer new entrants into the labor force during the last recession is one of the reasons the unemployment rate didn't climb higher. The unemployment rate in St. Croix County in 2003 was 7.0 percent compared to a 11.2 percent unemployment rate following the 1981-82 recession when the baby-boomers were entering the labor force in droves.

Unemployment Rate Comparison



St. Croix County Civilian Labor Force Data

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|-------------------|--------|--------|--------|--------|--------|--------|
| Labor Force | 33,142 | 32,990 | 34,801 | 36,689 | 37,976 | 38,826 |
| Employed | 32,258 | 32,224 | 33,931 | 35,111 | 35,440 | 36,117 |
| Unemployed | 884 | 766 | 870 | 1,578 | 2,536 | 2,709 |
| Unemployment Rate | 2.7% | 2.3% | 2.5% | 4.3% | 6.7% | 7.0% |

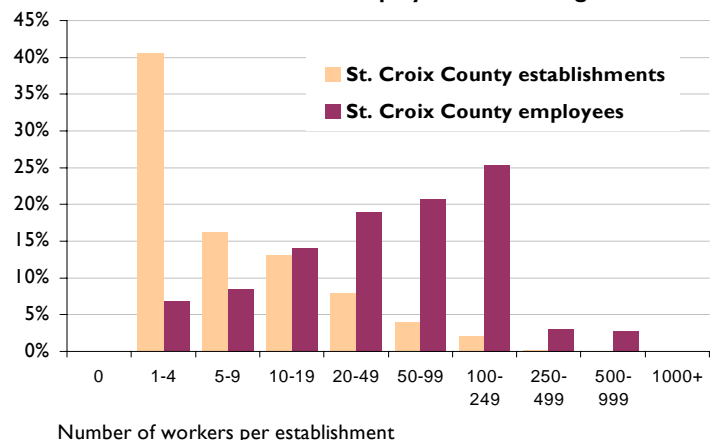
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

Nationwide, about one-quarter of the jobs are with employers that have 250 or more employees compared to roughly 31 percent in Wisconsin. However, of the roughly 29,540 jobs in the county, only five percent are with employers with 250 or more workers. In stark contrast, the share of employers with 250 or more workers comprises less than one percent of all employers in St. Croix County, very similar to the less than one percent ratio in the nation and in Wisconsin.

The greatest share of jobs in the county is with employers in the 100-249 employee range. However, the greatest share of employers, 56 percent, has less than five workers. The average employer in St. Croix County has 13 employees, compared with 17 employees in Wisconsin and 13 in the United States. The majority of jobs created in the last five years were added by employers with 50-249 employees.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Two of the top ten employers have more than 500 employees and eight have more than 250 workers. None of the employers on this list, however, are part of the food services and drinking places industry that is ranked number one in the county for providing jobs to residents. There are many employers in this industry with an average of 19 employees and together they provide 2,435 jobs in the county.

The significance of manufacturing employment in the county is demonstrated with three of the top five industries being from manufacturing in spite of reductions in the last year. All three industries are represented on the list of largest employers. The second largest industry, educational services, is represented on the list by the largest and third largest employers in the county.

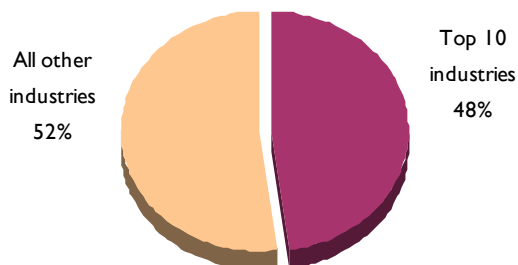
Top 10 Industries in St. Croix County

| Industry | March 2004 | | Numeric Employment Change | |
|--|----------------|-----------|---------------------------|-----------|
| | Establishments | Employees | 2003-2004 | 1999-2004 |
| Food services & drinking places | 124 | 2,418 | 146 | 451 |
| Educational services | 20 | 2,006 | -49 | 211 |
| Machinery manufacturing | 27 | 1,318 | -24 | 45 |
| Fabricated metal product manufacturing | 41 | 1,252 | 256 | 102 |
| Plastics & rubber products manufacturing | 14 | 988 | -181 | -301 |
| Executive, legislative, & gen government | 34 | 946 | 24 | 78 |
| Specialty trade contractors | 138 | 894 | 93 | 310 |
| Professional & technical services | 147 | 878 | 23 | 170 |
| Food & beverage stores | 25 | 869 | 25 | 195 |
| General merchandise stores | 10 | 833 | -3 | 242 |

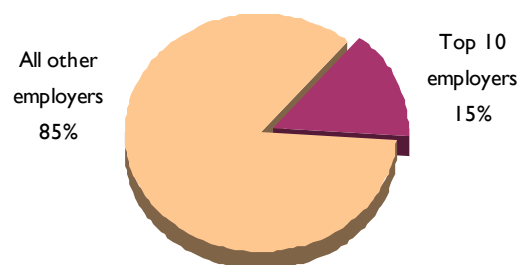
Top 10 Employers in St. Croix County

| Establishment | Product or Service | Size (Dec. 2003) |
|-----------------------------------|---|-------------------|
| School District of Hudson | Elementary and secondary schools | 500-999 employees |
| County of St. Croix | Executive, legislative, & gen. government offices | 500-999 employees |
| New Richmond Public School | Elementary and secondary schools | 250-499 employees |
| Phillips Plastics Corp. | All other plastics product manufacturing | 250-499 employees |
| Clopay Building Products Co. Inc. | Metal window and door manufacturing | 250-499 employees |
| Mc Millan Electric Co. | Motor and generator manufacturing | 250-499 employees |
| Nor Lake Inc. | Heating & AC equip. manufacturing | 250-499 employees |
| Wal-Mart Associates Inc. | Discount department stores | 250-499 employees |
| Doboy Inc. | Packaging machinery manufacturing | 250-499 employees |
| Ericksons Diversif Corp. | Supermarkets and other grocery stores | 250-499 employees |

Share of jobs in top 10 industries in St. Croix County



Share of St. Croix County jobs with top 10 employers

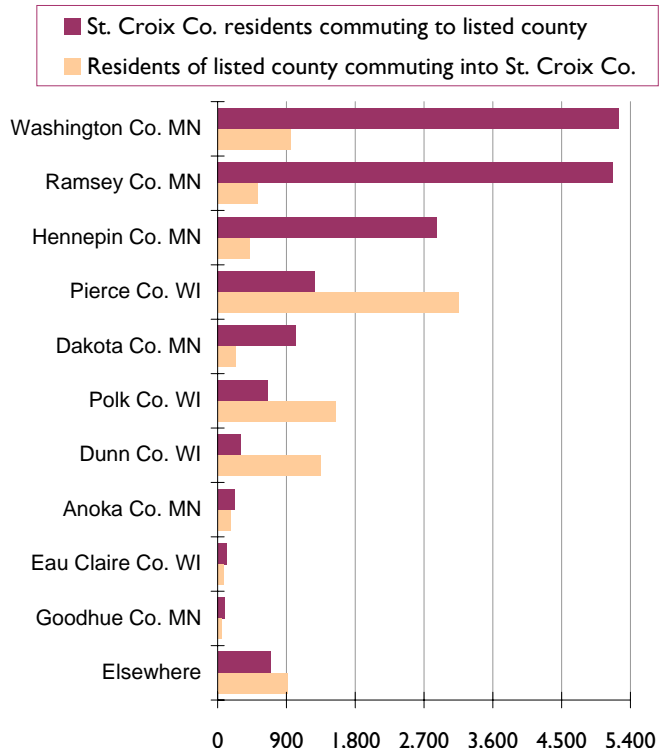


Commuting

In St. Croix County 17,670 residents, over 51 percent of the county's workforce, traveled out of the county for a job. Nearly 85 percent of the workers who left the county headed for destinations in Minnesota. This is the reason that St. Croix County is one of thirteen counties included in the Minneapolis-St. Paul metropolitan area. Most workers crossing the river are headed to Washington or Ramsey counties. The most popular destinations are the cities of Bayport and Stillwater on the St. Croix river and the City of St. Paul, where employers attract the greatest number of St. Croix workers. Minneapolis, in Hennepin County, is the destination for the third greatest number of workers from St. Croix County.

For those who travel out of the county, but stay in Wisconsin, the most popular destinations are the City of Menomonie in Dunn County and the Village of Osceola in Polk County. The fact that so many residents travel out of the county for a job is one of the primary reasons that the labor force in St. Croix County is greater than the number of jobs with the county's employers.

Even though over one-half of the workforce leaves the county for a job, employers in the county attract roughly 9,420 workers from neighboring communities. Most of the inbound workers travel from Pierce County, but over 2,730 travel from Minnesota counties. The destinations for one of every three inbound commuters, nearly 3,000, are the City and Town of Hudson.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The jobs in St. Croix County share some characteristics with neighboring counties and those similarities were used to define a labor supply area. This list includes wages for some of the occupations with the most employment in that area. It is significant because these 20 occupations provide approximately 31,400 jobs, or 37 percent of total employment, in the combined county area.

Each occupation includes a mean (average) and median (50th percentile) hourly wage probably the most frequently requested wage information. If the mean and median are relatively close the labor market for that occupation is probably tight.

Eleven of the 20 occupations typically require only short-term training and, for the most part, have a mean hourly wage under \$11/hour. There are also jobs on this list that typically require only moderate to long-term training periods and have mean wages that exceed \$11/hour. Four of the occupations typically require college degrees.

| Occupation title | Hourly Wages | | | |
|---|--------------|------------------|------------------|------------------|
| | Mean | Percentile | | |
| | | 25 th | 50 th | 75 th |
| Truck drivers, heavy & tractor-trailer | \$22.58 | \$16.30 | \$23.73 | \$27.76 |
| Retail salespersons | \$9.70 | \$6.94 | \$8.36 | \$10.80 |
| Cashiers | \$7.52 | \$6.33 | \$7.24 | \$8.44 |
| Team assemblers | \$11.65 | \$9.73 | \$11.75 | \$13.38 |
| Comb. food prep. & serving workers (fast food) | \$7.38 | \$6.20 | \$7.13 | \$8.31 |
| Nursing aides, orderlies, & attendants | \$10.12 | \$9.05 | \$10.09 | \$11.15 |
| Waiters & waitresses | \$8.05 | \$6.07 | \$6.89 | \$8.71 |
| Janitors & cleaners, except maids & hskpg. cleaners | \$10.56 | \$8.71 | \$10.54 | \$12.46 |
| Bookkeeping, accounting, & auditing clerks | \$12.23 | \$9.75 | \$12.02 | \$14.44 |
| Office clerks, general | \$10.28 | \$8.00 | \$10.28 | \$12.39 |
| Secretaries, except legal, medical, & executive | \$11.74 | \$9.99 | \$11.79 | \$13.49 |
| Stock clerks & order fillers | \$10.18 | \$7.74 | \$10.39 | \$12.25 |
| Elem. school teachers, except special ed. | - | - | - | - |
| Registered nurses | \$23.55 | \$19.41 | \$22.19 | \$26.01 |
| Sec. school teachers, except special & voc. ed. | - | - | - | - |
| Teacher assistants | - | - | - | - |
| Carpenters | \$15.55 | \$12.67 | \$15.35 | \$17.50 |
| Laborers & freight, stock, & material movers, hand | \$10.51 | \$8.15 | \$10.09 | \$12.47 |
| Bartenders | \$8.58 | \$7.00 | \$7.77 | \$8.58 |
| General & operations managers | \$38.59 | \$22.87 | \$32.53 | \$47.57 |

St. Croix County is part of an area which includes Buffalo, Dunn, Pepin, Pierce, Polk, St. Croix and Trempealeau counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

Payroll employment declined 0.2 percent in St. Croix County from 2002 to 2003 matching the reduction that occurred in Wisconsin. There was a net loss of 47 jobs, but some industries suffered much greater losses. Manufacturing employment declined by 640 jobs that included the closure of some companies and reductions by others. The change of -10.6 percent is greater than the decline of -4.2 percent in Wisconsin. The annual average wage of manufacturing workers increased 4.1 percent in 2003, however, as less senior and lower paid workers were the first to be laid off.

Manufacturing employers still provide the county's second greatest share of jobs. However, the greatest share of jobs is with employers in the trade, transportation and utilities group providing 20.9 percent of all jobs in St. Croix County. Payroll from manufacturers remains the highest, however, while the second highest is from education and health employers, which in this case also includes public education.

The annual average wage for all jobs in St. Croix County of \$29,149 was 22nd highest in the state. The highest annual average wage of \$38,049 was earned by workers in professional and business services, who fill 8.8 percent of jobs in the county. These wages nearly match the wages of workers in this industry

Average Annual Wage by Industry Division in 2003

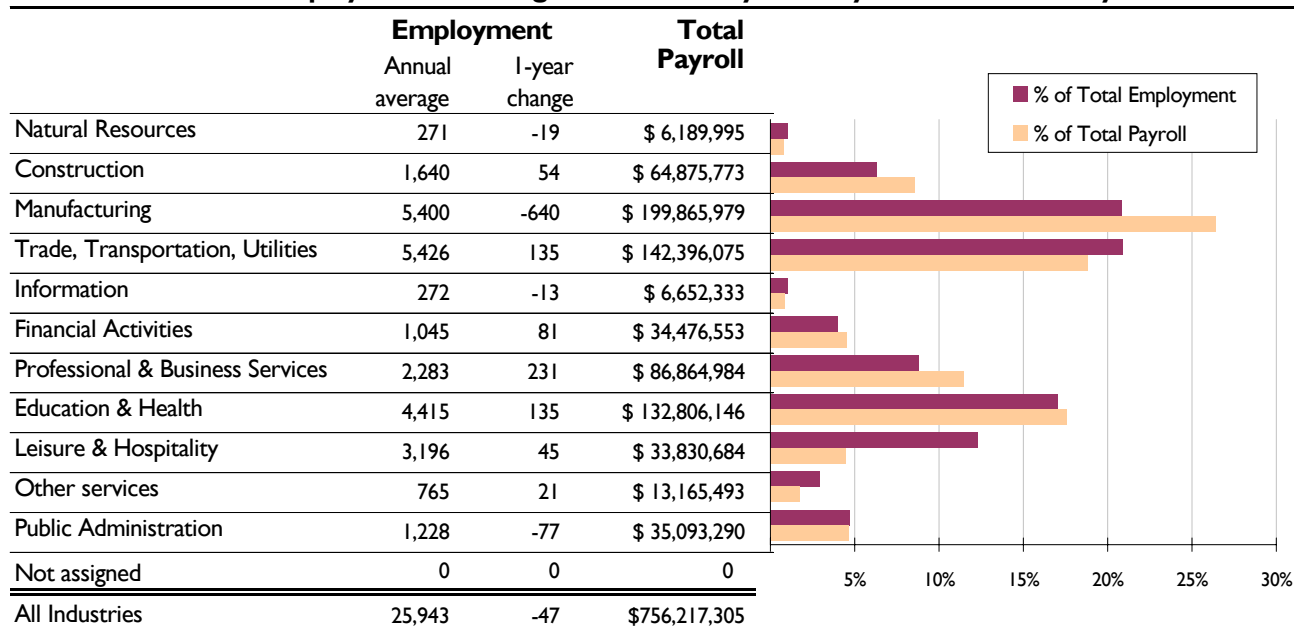
| | Average Annual Wage | | Percent of | 1-year |
|----------------------------------|---------------------|------------------|------------|----------|
| | Wisconsin | St. Croix County | Wisconsin | % change |
| All Industries | \$ 33,423 | \$ 29,149 | 87.2% | 4.3% |
| Natural resources | \$ 25,723 | \$ 22,841 | 88.8% | 7.7% |
| Construction | \$ 40,228 | \$ 39,558 | 98.3% | 3.6% |
| Manufacturing | \$ 42,013 | \$ 37,012 | 88.1% | 4.1% |
| Trade, Transportation, Utilities | \$ 28,896 | \$ 26,243 | 90.8% | 3.5% |
| Information | \$ 39,175 | \$ 24,457 | 62.4% | -1.4% |
| Financial activities | \$ 42,946 | \$ 32,992 | 76.8% | 10.7% |
| Professional & Business Services | \$ 38,076 | \$ 38,049 | 99.9% | 5.9% |
| Education & Health | \$ 35,045 | \$ 30,081 | 85.8% | 1.9% |
| Leisure & Hospitality | \$ 12,002 | \$ 10,585 | 88.2% | 3.0% |
| Other services | \$ 19,710 | \$ 17,210 | 87.3% | 10.9% |
| Public Administration | \$ 35,689 | \$ 28,578 | 80.1% | 21.4% |

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

statewide. The lowest average wages of \$10,585 in leisure and hospitality are earned by workers in 12 percent of the jobs in the county.

Wages in these two groups exemplify several factors that influence average wages that include occupation composition (professional and technical jobs generally have higher wages than clerical and service occupations), job tenure (those with more seniority are paid more than new hires), average work-week (full or part-time), and seasonal and temporary employment.

2003 Employment and Wage Distribution by Industry in St. Croix County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

Per capita personal income (see glossary) declined 1.2 percent in St. Croix County in 2002; the result of population increasing faster than total personal income. Meanwhile, PCPI increased in the United States, Wisconsin and other metropolitan counties in the state. In spite of the loss, PCPI in the county is higher than in Wisconsin, equals 99.5 percent of the United States and ranks 7th highest among the 72 counties in the state.

The greatest share of total personal income, net earnings, increased in 2002. Net earnings includes income from all work in and out of the county, self-employment and proprietorships. Even though annual average wages in the county are lower than

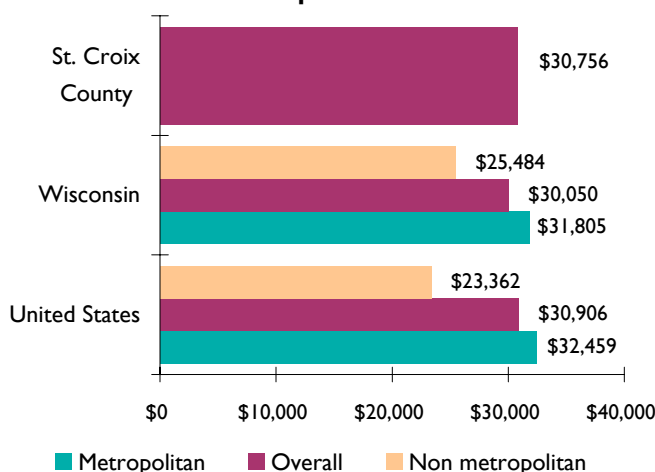
in Wisconsin, the share of total personal income from net earnings of 76 percent in St. Croix County is greater than the 68 percent of both the state and nation. The primary reason is that roughly 42 percent of net earnings are from residents who work outside of St. Croix County.

While PCPI is often used as a comparative income measure it should be remembered that population is also a key component. PCPI is the result of dividing total income by total population. Few residents under 18 years old earn income, but they are still included in the formula. Likewise, a retired population has a much lower earning capacity.

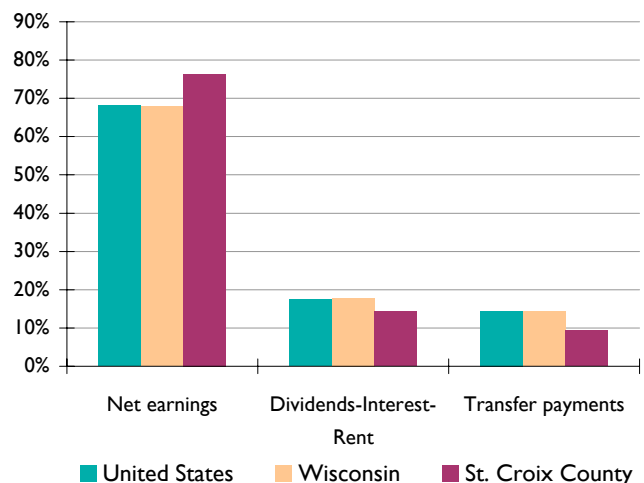
| | Per Capita Personal Income | | | | | | Percent Change | |
|---|----------------------------|----------|----------|----------|----------|----------|----------------|--------|
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 1 year | 5 year |
| United States | \$25,334 | \$26,883 | \$27,939 | \$29,847 | \$30,527 | \$30,906 | 1.2% | 22.0% |
| Wisconsin | \$24,514 | \$26,175 | \$27,135 | \$28,573 | \$29,361 | \$30,050 | 2.3% | 22.6% |
| Metropolitan WI | \$25,972 | \$27,711 | \$28,770 | \$30,317 | \$31,106 | \$31,805 | 2.2% | 22.5% |
| St. Croix County | \$26,004 | \$27,367 | \$28,998 | \$30,672 | \$31,116 | \$30,756 | -1.2% | 18.3% |
| In current dollars (adjusted to U.S. CPI-U) | | | | | | | | |
| United States | \$28,397 | \$29,670 | \$30,170 | \$31,181 | \$31,010 | \$30,906 | -0.3% | 8.8% |
| Wisconsin | \$27,478 | \$28,889 | \$29,301 | \$29,850 | \$29,825 | \$30,050 | 0.8% | 9.4% |
| Metropolitan WI | \$29,111 | \$30,584 | \$31,067 | \$31,672 | \$31,598 | \$31,805 | 0.7% | 9.3% |
| St. Croix County | \$29,147 | \$30,204 | \$31,313 | \$32,044 | \$31,608 | \$30,756 | -2.7% | 5.5% |

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004

2002 Per Capita Personal Income



Components of Total Personal Income: 2002



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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Hayward, WI 54843
Phone: 715-634-5289
email: Beverly.Gehrke@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Fertility rate - Number of live births per 1,000 women aged 15-44 years.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.